

Thursday, April 21, 2005

SMALL BUSINESS HEALTH INSURANCE REFORM TOP PRIORITY; DO NOTHING APPROACH OFF THE TABLE, ENZI SAYS

Washington, D.C. - U.S. Senator Mike Enzi (R-WY), Chairman of the Senate Health, Education, Labor and Pensions Committee (HELP Committee) today said he is committed to achieving serious and meaningful reform of small business health insurance markets and pledged that he will not accept a “do nothing approach” to help small businesses combat growth in health insurance costs and dwindling access to health coverage.

“We need to develop an effective yet reasonable strategy to increase the ability of small and low-wage businesses to offer health insurance,” Enzi said Thursday. “As we meet today, we have had almost five full years of devastating double-digit growth in insurance premiums, which amounts to five times the rate of inflation. Since 2000, premiums for family coverage have grown nearly 60 percent, compared to inflation of 9.7 percent over the same period.

“This unchecked growth in cost is bad for businesses that need to attract high quality employees, and bad for families who need jobs to pay their bills,” Enzi said. “As a former small business owner, I have seen this problem firsthand. My own state of Wyoming recently ranked 47th in the percentage of businesses that offer health insurance to their employees. Clearly small business needs relief – quickly.”

Today’s hearing marked the HELP Committee’s first effort during the 109th Congress to address support in the small business community for legislation allowing national Association Health Plans (AHPs). Acknowledging support for AHPs, Enzi said he will work sincerely with both opponents and proponents of AHPs to find a compromise legislative approach that draws from the very best aspects of the AHP proposal while also taking a careful look at other approaches, including streamlining of often hodgepodge state insurance regulations and easing costly benefit mandates.

“Advocates for AHPs make a strong and persuasive case that small businesses should be able to pool their purchasing power, and thereby reap some of the advantages currently enjoyed by large employers. I find much merit in these ideas,” Enzi said.

Nevertheless, the HELP Committee Chairman said he is mindful of serious concerns that national AHPs could result in so-called “cherry picking” of healthy individuals from health insurance groups and fracture an already fragmented insurance market.

“The one option I will not accept is doing nothing,” Enzi added. “For those who oppose AHPs, now is the time to come forward with constructive alternatives. And for AHP supporters, now is the time to think seriously about ways to bridge the differences that remain on this important issue. Whatever we do, we need to ensure that the insurance market is stable and that consumers are protected.”

